FBIS DAILY REPORT

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PRESIDENT REPORTEDLY PLANS MAJOR CABINET SHUFFLE

PY301632 Madrid EFE in Spanish 1849 GMT 29 Dec 85

[By Amanda Davila]

[Text] La Paz, 29 Dec (EFE) -- Government sources have stated that President Victor Paz Estenssoro today continued his consultations to form a new cabinet that is to be installed in January and is to enforce a "more progressive" program. The new team of aides will start a new era which, according to official sources, "will reflect" the spirit of the ruling Nationalist Revolutionary Movement (MNR).

The provisional and unofficial list of new ministers, which was revealed by the newspaper HOY in its Sunday edition, only includes two ministers of the former cabinet. Current Planning Minister Guillermo Bedregal will be the foreign minister, while Defense Minister Fernando Valle will take over as mining minister. According to the list supplied by HOY, the Planning Ministry will be headed by Deputy Javier Campero Paz, a nephew of the current president and a supporter of the MNR revolutionary line. In 1953, the MNR achieved important social and economic reforms for the working class.

According to the newspaper, former Commander in Chief of the Armed Forces Simon Sejas Tordoya, a key man in the Bolivian democratic process, will take over as defense minister. The Information Ministry will be run by Jacobo Libermann, a veteran union leader with a left-wing leaning and collaborator of the influential Bolivian Labor Federation (COB).

Antenor Santa Cruz, finance minister; Maime Aranibar Guevara, interior minister; and Edgar Tapia, agriculture minister, will also participate in the new cabinet. Other would-be ministers are Edwin Portocarrero in the Housing and Urgan Affairs Ministry; Alfredo Franco Guachalla in the Industry and Commerce Ministry; and Jaime Barron in the Health Ministry. The labor, aeronaùtics, and transportation ministers have not been designated.

The current cabinet assumed office on 6 August 1985. Its main task was the implementation of an economic program with a neoliberal trend that has been harshly criticized by the trade union and worker sectors.

According to official sources, the cabinet-shuffle will be positive because it will permit President Paz Estenssoro to give way to a more open policy now that the period in which "one had to govern with a hard hand" has been overcome. Nevertheless, the opposition parties and the trade union sectors have stated that they looked forward to the announcement of a new cabinet with suspicion. COB Press Secretary Gonzalo Viscarra today said that "we, the workers, do not believe that a positive change can take place" because the government "has already shown its antipopular and antinational nature."

Report Refuted

PY301640 Paris AFP in Spanish 1430 GMT 30 Dec 85

[Text] Information Minister Reynaldo Peters today stated in La Paz that the report published by a newspaper on Sunday that President Victor Paz Estenssoro reportedly will shuffle his cabinet before 15 January is mere speculation. Peters reasserted that the head of state has not thought of changing the cabinet he has presided over since 6 August when he took over the government from his predecessor, Hernan Siles Suazo.

INTERIOR MINISTER ON STRIKES, OTHER ISSUES

PY281244 La Paz PRESENCIA in Spanish 21 Dec 85 p 1, 11

[Text] Santa Cruz, 20 Dec -- Interior Minister Fernando Barthelemy today warned that the government will repress any public demonstration by any social sector that disrupts the public order.

As he entered the departmental prefecture, Barthelemy told reporters: "As long as strikes are held within a legal framework, no repressive measures will be adopted. However, if some sectors take advantage of the strikes and demonstrations to affect community and state interests, we will have to intervene."

Minister Barthelemy said he is in Santa Cruz on a routine visit. After talking to reporters he met with prefect Julio Prado, but the subjects discussed in this meeting were not revealed.

Asked about reinstating the state of siege, he said that it will depend on the political circumstances. "There currently are no reasons for us to think of reinstating the state of siege," he said.

Asked about the possibility of a "social explosion" after the imposition of the compulsory loan, Barthelemy said that he does not believe it will happen. He said this measure represents an "attitude of justice," because only the wealthy social sectors will be affected by it. He explained that the compulsory loan does not apply to the workers. Therefore, there were no mobilizations because of it.

Referring to the Cochabamba demonstration, Barthelemy said the government had intervened to safeguard order. This same procedure will be followed in any future case in which individuals try to take advantage of strikes and demonstrations for political purposes.

Regarding charges by the vice president that the peasants who are dissatisfied with the reduction of coca cultivation might join the guerrillas, the minister said that there are plans to confront this possibility. He said that a lot of speculations were made about the link between drug trafficking and the guerrillas, especially in countries like Colombia. However, in the case of Bolivia, he said, the speculations may or may not be confirmed.

About the recent seizure of weapons in Cochabamba, he said the investigation is in the hands of the Armed Forces and the Interior Ministry knows nothing about the case. He was also asked whether the government will grant an amnesty and he replied: "There are no reasons for declaring an amnesty because there are no political prisoners."

Replying to another question, he said the arrested labor leaders in La Paz cannot be considered political prisoners because they are being tried for common crimes. However, he admitted that in the case of labor leader Ardaya, the judge who is hearing his case still cannot even classify it. Barthelemy said the government respects and will respect the labor privileges [fuero sindical] of the labor leaders as long as they act within the law.

M-19 TO LAUNCH TERRORIST OFFENSIVE IN JANUARY

PA282021 Hamburg DPA in Spanish 1843 GMT 28 Dec 85

[Text] Bogota, 28 Dec (DPA) -- The Colombian guerrilla movement has announced that it plans to launch its largest terrorist offensive ever in Colombia in January. This offensive would end the unilateral ceasefire currently in effect.

The M-19 [19 April Movement] announcement was made to French journalist Jean-Paul Mari, from LE NOUVEL OBSERVATEUR, which has just published a lengthy article signed by the journalist, who went to Colombia and met in the Andean mountains with the main leaders of the subversive movement.

According to the guerrillas, M-19 has unilaterally implemented a ceasefire because of the Nevado del Ruiz volcano eruption disaster in November and the December festivities. According to the statements made to the French journalist, which were published today by the morning newspaper EL TIEMPO of Bogota, M-19 plans to launch a vast campaign of rural and urban violence that will include Colombia's main cities.

Carlos Pizarro Leon-Gomez, the top military leader of M-19, told the French journalist that "there is no difference at all between the military and President Belisario Betancur." He noted that the only thing the chief of state wants with his peace policy "is to disarm the guerrillas to be able to destroy them."

BETANCUR GRANTS AMNESTY TO BREAKAWAY ELN GROUPS

PA271505 Bogta Emisoras Caracol Network in Spanish 1215 GMT 27 Dec 85

[Text] Bogota -- President Belisario Betancur has ordered military and civilian authorities to suspend any action against the Simon Bolivar and Antonio Narino columns of the National Liberation Army, ELN. Meanwhile, the ELN rejected these two columns that signed a peace agreement with the government and informed them that they will be subjected to what it described as people's justice.

President Betancur sent a message to John Agudelo Rios, president of the Peace Commission, warning that the ceasefire will work if the ELN observes the penal law and does not carry out political activities while brandishing weapons. Betancur explained that the signing of the ceasefire pact with the ELN does not imply that law and government authority are being abandoned.

Finally, President Betancur told Agudelo Rios that he hopes that the other subversive groups will follow the example of the ELN columns and that the new year will bring peace to Colombia.

GARCIA SAYS U.S. COPPER COMPANY TO BE INVESTIGATED

PY301228 Paris AFP in Spanish 0027 GMT 30 Dec 85

[Text] Lima, 29 Dec (AFP) -- President Alan Garcia today announced that his government will review the case involving the U.S. company Southern Peru Copper Corporation to determine whether the taxes it is paying are commensurate with the profits it is remitting abroad and the depreciation of its assets. At a press conference he held on Sunday, Garcia emphasized that Peru will uphold a policy of changing its relations with foreign capital to reflect a nationalistic approach, one that is neither state-oriented nor rightist but seeks to ensure that the country's and the people's rights are respected.

Following the virtual nationalization of the U.S. company Belco Petroleum and new agreements over the past few days with Occidental Petroleum and the Oxy-Bridas consortium, Garcia stated that the nationalistic policy being applied to foreign oil companies will be extended into other areas of production where foreign capital or large domestic consortiums operate.

Concerning eventual reprisals from abroad in reaction to this new Peruvian policy, the young president stressed that Peruvian sovereignty will not be negotiated and that we are making Peru a respectable country, writing regulations for the benefit of the nation. If this offends any nation it will be because that nation makes a completely unilateral decision to take offense, Garcia replied, alluding to the United States. Nevertheless, it will not change in the least the Peruvian decision, which is a nationalistic and progressive one, respecting Peruvian rights, Garcia added.

Concerning the Southern Copper Corporation, which is mining the largest copper deposits in Peru, Garcia said that it is time to ask whether this subsidiary of the U.S. consortium Asarco has already recovered the invested capital and to review its profit remittances. We must learn whether the assets have depreciated and, if so, the taxes will obviously have to be raised for the benefit of Peru, Garcia stated.

Concerning the large foreign and domestic consortiums, Garcia noted that reviews will be made of the profit margins because in a situation like this, in which the people and the country are losing much in regard to the standard of living, large capital must also lose. If the people lose, why not foreign capital, the head of state pondered during his conversation with local journalists. I want to make it very clear that we are in need of technology and capital, but we also need to give our people respect, Garcia emphasized.

Concerning Belco Petroleum, Garcia said that if it lodges a claim, then the judicial branch will decide, and the state, according to its possibilities, will see how it will meet the claim.

Further Comments

PY301426 Lima Television Peruana in Spanish 0100 GMT 30 Dec 85

[Excerpts] President Alan Garcia Perez today announced that the government will continue its policy of changing relations with foreign capital, making it clear that Peru needs technology and capital but that it also needs to ensure respect for its people. The head of state added that the policy to be followed with the foreign oil companies will be extended to other areas of production where foreign capital or large national consortiums operate. He made this announcement after an inspection visit to the Lima Maternity Hospital that is being expanded and to the People's Club complex that is being built in San Juan de Miraflores. Following his visit, the President talked with the press and referred to the recent measures that have been adopted with the foreign oil companies.

[Begin recording] [Reporter] After the announcement the government made regarding the contracts with the foreign oil companies, what reaction have you noticed both in Peru and abroad?

[Garcia] A positive one. Positive at the domestic level, because it is a demonstration that we can deal as equals with foreign capital and improve the conditions in which it operates in Peru. Until we can become autonomous, we need the contributions of foreign capital. But, as in any business, Peru should bet as much as it can. Anyone who only asks for a little is crazy. We have to make demands on foreign capital, which, as any business, must make profits, but from our standpoint the minimum that is necessary to attract it. So there has been a positive reaction. In the case of Belco Petroleum, Petroperu has taken over its assets for exploitation, extraction, and marketing because it considered that the enterprise had not given a satisfactory reply. Consequently -- and although we might regret it -- Petroperu now is operating offshore, that is, it is engaged in marine exploration. This is very important, because for the first time, forced by circumstances, Petroperu is being introduced to this new technology. I have confidence in Peruvian technicians, in the Petroperu technicians and workers, and I am sure that production will be maintained and increased. Furthermore, we are going to master a technology that will permit us to exploit other undersea oil deposits.

[Reporter] Mr President, in the wake of the problem with the foreign oil companies, the concern has arisen that the United States may impose economic sanctions that will seriously threaten our country, through the Hickenlooper or the Gonzalez Amendments.

[Garcia] Look these are strictly economic and commercial problems with the enterprises. I cannot accept any reference to this problem in national terms, because this problem is related to contracts between Petroperu and other enterprises. If the deal is not suitable for Peru and Petroperu, there can be no deal. But this cannot be construed as an aggression against any nation. Peruvian soverignty is not negotiable and the Peruvian Government will not retreat under any condition, or in the face of any threat or pressure. What we are doing is demanding respect for Peru, reviewing rules for the benefit of Peru. And if this causes some nation to feel attacked. It is because of an absolutely unilateral decision on that nation's part. But it will not make a bit of difference in the Peruvian decision that this is a nationalistic, progressive solution that respects the rights of Peru. I would like to say that this is a nationalistic solution to the question of oil, by taking charge of the exploitation on the continental shelf, and by sensibly improving the conditions of Peru vis-a-vis the Occidental Company, whose profit margin and internal return will substantially diminish, because it will have to pay taxes that it has not paid before and it will have to make investments.

This is just part of a broader question that has to do with the treatment of foreign capital under nationalistic but fair conditions. It does not have to do any with oil, it also has to do with mining, copper mining that is being carried out by the Southern Peru Copper Corporation. So we will have to see if since the contract, which dates back prior to 1970, Southern has recovered its capital; if it has, the tax schedule will have to change. This review will have to involve the mining of silver, zinc, and tin that large foreign and Peruvian consortiums are exploiting with large dividends.

In fact, this is a point of view not only regarding oil but also regarding the country's natural resources in all areas. Therefore, the government will continue this policy of putting relations between Peru and foreign capital on a different basis, making it clear that Peru needs technology and capital, but that its people must also be respected. [end recording]

MILITARY COMMAND SUPPORTS GARCIA OIL DECISIONS

PY310239 Paris AFP in Spanish 0139 GMT 31 Dec 85

[Text] Lima, 30 Dec (AFP) -- The highest-ranking officers of the Armed Forces today expressed their complete support of President Alan Garcia's decisions regarding the contracts with the oil companies. The decision of the High Military Command was announced by the presidential press secretariat after a meeting of the Armed Forces Joint Staff Command with President Alan Garcia at the Government House. The meeting was attended by General Luis Abram Cavallerino, Air Force commander in chief; General German Ruiz Figueroa, Army commander in chief; and Admiral Geronimo Cafferata, Navy commander in chief.

Gen Cavallerino, speaking for the Joint Staff, said that they support the decision, announced by Garcia on 27 December, to sign new operation contract with the U.S. enterprise Occidental, and with the U.S.-Argentine consortium Oxy-Bridas, as well as to cancel the operations of the U.S. Belco enterprise in the country. The Joint Staff also confirmed that it supports President Garcia's statement affirming that he will not negotiate the country's sovereignty, and that Peru, in its foreign relations, does not seek to drive away the technology or the capital which the country needs so much, but to ensure respect for the dignity of the country.

NEW NAVY COMMANDER TO ASSUME POST 2 JANUARY

PY301306 Madrid EFE in Spanish 0025 GMT 30 Dec 85

[Text] Lima, 29 Dec (EFE) -- It has been reported in Lima today that Vice Admiral Victor Nicolini del Castillo has been appointed Peruvian Navy commander in chief and will assume his post on 2 January. Nicolini will replace Vice Admiral Geronimo Caferatta and will be introduced by Navy Minister Vice Admiral Julio Pacheco Concha at the La Punta Navy College, which is located in El Callao, Lima's port. The Navy, Army, and Air Force commanders in chief make up the Joint Staff of the Peruvian Armed Forces.

SHINING PATH DESTROYS POWER PYLONS IN LIMA

PY301556 Paris AFP in Spanish 1622 GMT 27 Dec 85

[Excerpt] Lima, 27 Dec (AFP) -- Shining Path commandos last night dynamited three high-tension power pylons located between the towns of Chosica and Matucana, in southeastern Lima, and the government warned against a possible escalation of terrorist actions and reinforced the police red alert. Terrorist commandos wielding submachineguns and explosives last night attacked and blew up three high-tension power pylons located in Chosica, 40 km southeast of Lima, and Matucana, 83 km southeast of Lima, causing a blackout in several towns located in the area, the police have reported. The police are searching for the assailants, who fled under cover of darkness. At the same time, another armed subversive group made up of six individuals attacked the facilities of a Peruvian paper mill in the town of Chaclacayo, 30 km off the main road. They hurled three bombs at the mill, only one of which detonated, causing an enormous blaze. The resolute efforts of the workers and the police emergency squad prevented the fire from spreading.

Deputy Interior Minister Agustin Mantilla last night warned of a possible escalation of terrorist actions in the coming days, prompting an immediate reinforcement of the red alert in the three police forces -- the Civil Guard, the Investigative Police, and the Republican Guard.

New Year's Action Thwarted

PY302329 Buenos Aires TELAM in Spanish 1926 GMT 30 Dec 85

[Text] Lima, 30 Dec (TELAM-ANSA) -- An important terrorist plan scheduled to be unleashed on New Year's Eve including, among other operations, a total blackout of Lima and suburban areas, the simultaneous explosions of car bombs throughout the capital, and a massive escape of presumed terrorists imprisoned at the Isla del Fronton, was frustrated by the government on discovering a bomb deposit and the plans of the pro-Maoist Shining Path terrorist organization.

The discovery was made by the Energy Security Force [FUSE -- Fuerza de Seguridad Energetica] of the Republican Guards, who guard the hydroelectric plants and the power pylons that support the high-tension power cables. Hidden among the rocks that surround power pylons 2001 and 2002, a few meters from the Huinco hydroelectric plant, only 10 km from downtown Lima, FUSE personnel found 40 dynamite sticks, dozens of kilograms of an explosive paste known as Russian cheese, 32 meters of safety fuse, and percussion caps.

The discovery of this arsenal led to other operations that ended with the discovery of the terrorist plans. These plans were also skillfully hidden on the rocky mountainous zone. This discovery was made possible because of the apparently isolated event that took place last night at the Isla del Fronton, commonly known as Devil's Island.

In fact, two prisoners, accused of being terrorists, were taken by surprise and recaptured by the prison guards while trying to swim to the continental coast after escaping from the prison. Although there is absolute secrecy in this regard, it has been learned through the testimony of the recaptured prisoners that their objective was the final coordination of a massive escape of prisoners on 31 December evening, taking advantage of the total blackout in Lima and surrounding neighborhoods.

FUSE chief Lieutenant General Santiago Rojas Gonzalez this afternoon confirmed this report, adding that it is believed that the explosives found in the last few hours, and those found last week barely 7 km from the Huinco hydroelectric power plant, were taken from the dynarite boxes stolen from the Huampar and Farrallon mines a little over 1 month ago.

Rojas Gonzalez also pointed out that had pylons 2001 and 2002 been destroyed, most of Lima, its nearby districts, and El Callao, an area where more than 6 million people live, would have been blacked out.

He confirmed that police and military forces will use helicopters in their coordinated actions to maintain permanent land and air patrols. These actions will also cover densely populated shantytowns in suburban areas, because suburban extremist cells are frequently (?headquartered) in their areas, he added.

He concluded by saying that passengers and cargo are under strict control at arrival and departure points in Lima, particularly at Jorge Chavez International Airport, where a car bomb went off last week. At the airport, dogs are being used to detect bombs, and the access to the international area has been placed under strict control.

FOREIGN MINISTER REFUTES RESIGNATION RUMORS

PY301605 Paris AFP in Spanish 1436 GMT 27 Dec 85

[Text] Montevideo, 27 Dec (AFP) -- Congressional sources today revealed that Foreign Minister Enrique Iglesias has refuted rumors that he will allegedly resign the post he assumed on 1 March.

The rumors claimed that Iglesias would resign soon and that the current pro tempore secretary of the Cartagena Consensus (made up by the 11 most indebted nations in Latin America) would assume a high position in an international agency.

During a meeting convened by the members of the Senate Foreign Affairs Commission, the foreign minister stated that he will remain in his post and even announced some plans for the future.

Political sources told AFP that the opening of new Uruguayan diplomatic missions in several African nations and some projects related to the foreign trade area are among Iglesias' plans.

In addition, well-informed sources have stated that the foreign minister will make a number of trips in 1986, the first one to Guatemala.

In Guatemala, Iglesias will attend the inauguration of the new government and surely meetings seeking to rechannel the peace efforts being made by the Contadora Group (Mexico, Panama, Venezuela, and Colombia) in Central America. Afterward, Iglesias will travel to Great Britain, Israel, Egypt, Algeria, and the Soviet Union.

According to spokesmen from various political parties, the performance of the former ECLA secretary as foreign minister has received full support in congressional circles.

The spokesmen noted that after 10 months of democratic government, Uruguaya has achieved a leading role on the international scene, advocating the principles of respect for human rights, nonintervention, and the people's self-determination.

Over this period, Uruguay resumed diplomatic ties with Venezuela and Cuba, Championed peace in Central America by forming a group to support the Contadora Group, and also received expressions of solidarity from some nations that contributed to Uruguay's economic recovery with credits with favorable terms.

According to the sources, the efforts to be made in 1986 will be aimed at promoting development after the period of adjustment and reorganization has been successfully overcome.

PEDEVESA REPORTS FAVORABLE OIL OUTLOOK FOR 1986

PA280426 Caracas Television Service in Spanish 0000 GMT 28 Dec 85

[Excerpt] As the result of a regular meeting of Petroleos de Venezuela, S.A., [Pedevesa] it has been determined that the national oil industry has a favorable balance, despite difficulties in the international crude oil market, which is marked by uncertainty.

Presenting a summary of the most important aspects of the oil industry, Energy and Mines Minister Arturo Hernandez Grisanti expressed moderation, yet acknowledged the positive aspects that marked the evolution of Venezuela's hydrocarbons industry. Rather than making a long summary of the operations discussed by Pedevesa President Brigido Natera, Hernandez Grisanti presented the outlook for the coming year. He presented the variables regarding production volumes, prices, and the future of the petrochemical industry and oil refining, among other things. In this context, we can mention a production volume of 1,555,000 barrels per day [BPD] to which we are to add significant figures of condensed byproducts and liquified gas for a very good total production of 1,777,000 BPD.

With an eye on the 1986 picture, Pedevesa's goal for the coming year, included in next year's national budget, is 1,410,000 BPD. Planned goals could not be attained this year, mainly due to fluctuations in the international crude oil market and the loss of refining capability of the Aruba and Curacao refining plant. Regarding this, the minister announced the intention to increase Curacao's refining capacity and anticipated an output of 190,000 BPD shortly. A price of $24.50 per barrel has been considered, but this is not a fixed figure: It will depend on the trend in the international market. This is only tentative, not a definitive price for 1986. In addition, on the growth of the petrochemical industry, the minister has a favorable outlook.

[Begin Hernandez Grisanti recording] We will initiate an expansion stage in the petrochemical industry. We have already succeeded in making it healthy, both financially and operationally. It is a healthy, solid industry. We will now open two plants at El Tablazo, one for (?coro) soda and another for polypropylene. This fifth plastic product completes the full line of five basic components for the plastics industry. [end recording]

Pedevesa President Natera formally presented the 1985 balance. He began by mentioning the export volume, which this year reached 1,375,000 BPD, higher than the planned goal of 1,356,000 BPD. He emphasized that production was constant at 2,575,000 BPD. He added that this makes it possible for the country to produce another 900,000 BPD if necessary.

CENTRAL BANK REVIEWS YEAR'S ECONOMIC RESULTS

PA281900 Caracas Television Service in Spanish 000 GMT 27 Dec 85

[Text] According to a report issued today by the Central Bank of Venezuela, the second phase of the national economic readjustment began in 1985, even though there was no excessive growth of the internal productive capacity. There was, however, a clear growth in certain internal activities -- in agriculture, for example.

An extensive analysis of the economic developments for 1985 was made today by the Central Bank of Venezuela, which summarizes this year's behavior of the monetary system, the balance of payments, international currency reserves, domestic activity, and the foreign debt of the country.

However, there are singular developments that must be highlighted.

During 1985 there was a 9-percent growth in money in circulation, which is positive in real terms. There was a surplus in the country's balance of payments of $1.6 billion in which the excess of the country's current account estimated at $3.9 billion played an important role. The combination of these factors increased Venezuela's international currency reserves by $1.2 billion during 1985. Therefore, Venezuela has a foreign currency reserve balance of $13.7 billion at the end of 1985. The report from the Central Bank of Venezuela emphasizes that the decrease in international interest rates and the increasing effect of substituting imports with domestic products have contributed to this favorable result. Venezuela made foreign debt payments totaling $1 billion during 1985.

The gross national product showed favorable results with growth in certain areas. We can highlight a 7 percent growth in agriculture, 14.9 percent in mining, and 3 percent in manufacturing. However, there was a 4.2 percent decrease in oil production, which is the result of the fluctuations of the international oil market.

The unemployment rate stayed at 14 percent for the first half of the year, but decreased 2 percent by the end of the year, ending up at 12.2 percent, according to the figures from the Central Office of Statistics and Computer Science. The Central Bank highlighted the efforts made to contain inflation, which increased 6 percent in 1985, an evident symptom of the decrease in the cost of living.

However, the Central Bank of Venezuela, in round figures, believes the situation was not better because of the fluctuations of the international oil market. Therefore, the net growth rate was negative and national economic growth was also negative.

Regarding the prospects for 1986, the Central Bank of Venezuela believes that the possibilities are favorable for sustained economic growth spurred by the triennial investment plan. However, in order to achieve this objective, the policies must be emphasized and the idle production capacity must be activated.

EXCHANGE RATE HIKE FOR IMPORTS APPROVED

PA270332 Caracas Television Service in Spanish 1600 GMT 26 Dec 85

[Excerpt] During its meeting today at the Miraflores Palace, the Council of Ministers approved several matters related to the Finance Ministry. First of all, the modification of the exchange agreement: the sale of dollars at the rate of 4.30 bolivars to the dollar was used for the importation of some products, including food not produced in our country.

As it was announced some time ago, however, this rate of exchange will be eliminated as of the first of January. This means that the rate of exchange will now be 7.50 bolivars to the dollar for imports that previously used the 4.30 rate, particularly those products important for Venezuelans' basic diet.

BRIEFS

123 BILLION BOLIVAR 1986 BUDGET -- During an urgent session, the Chamber of Deputies approved the 1986 budget for 122.83 billion bolivars on 16 December. In addition, the Senate approved in a single session several other bills, including one authorizing the government to execute public credit operations to finance a Special Public Investment Plan for 1986, 1987, and 1988 for 37.98 billion bolivars. [Summary] [Caracas EL NACIONAL in Spanish 17 Dec 85 p D 1 PA]

DEPUTIES PASS 'AUSTERE' $92 BILLION 1986 BUDGET

FL301422 Mexico City NOTIMEX in Spanish 1630 GMT 28 Dec 85

[Text] Mexico City, 28 Dec (NOTIMEX) -- Mexico's 1986 budget, which totals 32.2 trillion pesos ($92 billion), is authentically political inasmuch as it tends to benefit most Mexicans. The foregoing statement was made by the secretary of the governing Institutional Revolutionary Party (PRI) after he presented the 1986 budget bill, which was approved by the Chamber of Deputies.

Deputy Jesus Murillo Karam, secretary of the planning and budget committee of the lower chamber, called it an austere budget that attempts to preserve the capacity of the state to assure its basic functions of providing equity and justice. Murillo Karam also said the budget reflects an attempt to favor investment while decreasing operating expenses, especially in sectors related to nonsubstantive administrative tasks.

Speaking in support of the budget, Murillo Karam said the 1986 budget identifies the following priorities: assuring the supply of basic products to the population, providing education, assuring justice and housing, attending to the demand for social services, maintaining adequate growth of the basic infrastructure, and maintaining strategic government programs.

The secretary of the planning and budget committee underscored the need to continue the administrative decentralization program and the need to make use of development agreements to reinforce such actions.

BRIEFS

MARITIME AGREEMENT WITH USSR -- The Communications and Transport Secretary and B.P. Trunov, USSR Deputy Minister of the Maritime Fleet, signed an agreement yesterday in which Mexico and the USSR agree to increase efforts to promote development of the merchant marine sector and the training of professional staffs in that field. During the fifth meeting of the Mexico-USSR Joint Commission for Consultations, which took place in Mexico City, the head of the SCT [Communications and Transport Secretariat] said modernization of the port infrastructure, improvement of maritime operations, and the establishment of bilateral relations between Mexico and other nations with which there are possibilities of trade relations are actions that strengthen the country's development. During the ceremony that took place in the SCT board room, the USSR Deputy Minister of the Maritime Fleet said the maritime transportation agreement with Mexico strengthens the merchant marine and the friendly ties between the two countries. The Soviet official said his country's delegation had visited the ports of Manzanillo and Veracruz. [Text] [Mexico City UNOMASUNO in Spanish 12 Dec 85 p 16 PA]

EL SALVADOR

'ALLEGED COUP' TO OVERTHROW DUARTE RUMORED

PA301843 Paris AFP in Spanish 1750 GMT 30 Dec 85

[Text] San Salvador, 30 Dec (AFP) -- With only a few hours remaining in 1985, there are many rumors today about an alleged coup d'etat to overthrow President Jose Napoleon Duarte 18 months after the beginning of his administration.

Duarte himself denounced in recent hours that rightist sectors have reinitiated their appeals to some Army officers, inciting them to carry out a coup d'etat. The chief of state said that he has an anonymous letter identical to those received by various Armed Forces officers calling for a coup. However, Duarte does not believe that the Army leadership would heed such suggestions.

One of the most influential Army commanders who has identified himself with the "hard-line" sectors, Colonel Sigifredo Ochoa, commander of the 4th Brigade headquartered in El Paraiso, in the northern department of Chalatenango, has confirmed receipt of a copy of the letter but he gave no importance to this fact. Ochoa said that the Army "will fulfill its duty by fighting the armed extremes who are trying to destabilize the country." He said he is in favor of both the left and the right becoming politically organized.

He said: "The Armed Forces are apolitical." Two years ago this colonel rebelled against the Armed Forces command because he disagreed with the way the war effort was being conducted.

Meanwhile, the military High Command published a communique in the morning newspapers today noting in large letters that "the Army is not planning a coup" and that the recent rumors are based on "imaginary coups." The communique also notes that the High Command supports the government of President Duarte and condemns the attitude of those who either spread rumors about coups d'etat or make insinuations in that regard through anonymous letters.

The Salvadoran military men, who have governed the country directly or indirectly and almost without interruption since 1932, carried out a coup d'etat in October 1979.

A few months later they formed an alliance -- with U.S. support -- with the Christian Democratic Party [PDC] to promote a process that ended with the May 1984 election victory of Duarte, top leader of the PDC.

In spite of all the explanations, there is unrest and confusion regarding the political future of El Salvador. Unofficial sources have said that in 1986 there will be changes in the military High Command.

It has been said that General Adolfo Blandon, the current chief of staff, could go to the Defense Ministry to replace Minister General Eugenio Vides Casanova. No official source would comment on this.

It is being strongly speculated that Air Force Commander General Rafael Bustillo, another "hardliner" who has been accused of bombing civilian areas, will become chief of staff to replace Gen Blandon. In addition, Colonel Ochoa could be promoted.

One change has been confirmed: Colonel Carlos Aviles, will no longer be commander of the Armed Forces Press Committee. There is no report on what his new assignment will be.

Appointments Expected

PA302021 San Salvador EL DIARIO DE HOY in Spanish 30 Dec 85 p 7, 42

[Text] Air Force Commander General Rafael Bustillo has been proposed by a group of officers to head the Joint Chiefs of Staff as part of the changes to be carried out in the Army early next year. The newspaper editor was unable to confirm this report with either Coprefa [Armed Forces Press Committee] or the General Staff. It is also said that Colonel Carlos Aviles, current Coprefa chief, will be transferred to another post.

ACAN-EFE reports from San Salvador that some military chiefs have received anonymous notes urging them to stage a coup d'etat against President Duarte. Several such notes were found at the 4th Army Infantry Brigade, according to Colonel Sigifredo Ochoa Perez, brigade commander.

The reports add that President Duarte visited Chalatenango to learn of the situation. He told newsmen that it is logical that there are some sectors within the Army that do not agree with certain things. Until now, it is not known how many anonymous notes have been sent to the various military garrisons urging a coup d'etat against the incumbent Christian Democratic administration.

Venceremos Predicts Changes

PA290338 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 29 Dec 85

[Text] As a result of the deep internal crisis that is affecting Jose Napoleon Duarte's regime, deep gaps have opened in the military and political spheres. It is being said that in the next few hours changes will be made in Duarte's cabinet and in the Armed Forces' command structure. The changes point toward a greater rapprochement between the Christian Democratic regime and the oligarchic right. The political and military weakness experienced by the government has led it to make important concessions to the extent that certain sectors of the oligarchic right are the ones establishing the conditions in the negotiations, reportedly underway, to form the new cabinet. It is quite likely that the members of ARENA [Nationalist Republican Alliance], Free Fatherland, PCN [National Conciliation Party], and others will have important participation in the new cabinet, thereby replacing Christian Democratic officials who have been accused of being inefficient.

Likewise, within the Armed Forces group of officers who graduated in 1966, the so-called philharmonic [los filarmonicos], will corner the commands of the special battalions, garrison commands, brigades, and repressive corps. The group called the philharmonic is made up of 47 military men who graduated as second lieutenants in 1966 and who were promoted to lieutenant colonels in July 1985.

Most of these officers are sons of officers or of men who held office during our various governments. They were the largest graduating class before the war. They were protected by their parents while they were in school and they had their parents backing to be able to graduate. The philharmonics are characterized by their military inability and high degree of corruption. They are all of the oligarchic extreme right.

Among the officers that form the philharmonic we have: Lieutenant Colonel Estaben [Roberto Mauricio Estaben], commander of General Manuel Jose Arce Rapid Deployment Infantry Battalion; Lieutenant Colonel Rene Emilio Ponce, chief of operations, General Staff; Carranza [Colonel Oscar Carranza], commander of the Atonal Battalion; Colonel Mauricio Vargas, commander of the Gotera Garrisson; Caceres Cabrera [Colonel Natividad Jesus Caceres], deputy director general of the Treasury Police; Orlando Montano [Colonel Inocente Orlando Montano], commander of the Armed Forces Engineering Training Center; Rubio [Colonel Gilberto Rubio], commander of the La Union Carrison; Zepeda [Lieutenant Colonel Juan Orlando Zepeda], commander of the Atlacatl Battalion; and others.

According to what has been learned, the most important changes will be as follows: Defense Minister, General Juan Rafael Bustillo: Deputy Defense Minister, General Onecifero Blandon; Chief General Staff, Colonel Rene Emilio Ponce. General Eugenio Vides Casanova, current defense minister; Colonel Rafael Flores Lima, current deputy defense minister; Lieutenant Colonel Armando Aviles, Coprefa [Armed Forces Press Committee] director; and Lieutenant Colonel Mendez [Miguel Antonio Mendez], current commander of the 3d Infantry Brigade; will be replaced. Rumors are that Colonel Vargas, commander of the Gotera Garrison, will also be removed.

Among the causes for these changes we have: in-fighting for positions, differences, and charges of inefficiency. At cabinet level it is almost sure that Rodolfo Castillo Claramount will be removed.

It has been 18 months since the Christian Democratic government came into office and Duarte's so-called Social Pact with the labor and peasant sectors and his peace offer through a dialogue with the FMLN have become evidence of a demagogic mockery. These had nothing to do with Duarte's willingness or possibilities. Duarte's real pact was clearly sealed with the Christian Democrats, oligarchy, and Armed Forces. The U.S. Government knew that only with such a pact could Duarte be put into office and that is why they advised and pressed for him to maintain unity in the face of the common enemy, the FMLN.

The course of events and the crisis of Duarte's political plan would have uncovered that this pact no longer expressed the unity of strategic interests but rather a reorganization within the government and Armed Forces, a reshuffle of positions and commands among the Christian Democrats who are the representatives of the traditional right, the oligarchy, and the Army.

GUATEMALA

MEJIA VICTORES SAYS SUBVERSION UNDER CONTROL

PA302343 Guatemala City EL GRAFICO in Spanish 29 Dec 85 p 4

[Text] Mejia: Subversion Has Been Reduced

General Mejia Victories has stated that the subversion will be reduced 95 percent by the time the government is handed over. He added that the remaining 5 percent is comprised of "gangs" of common criminals because the subversion no longer exists as an organization.

Referring to the latest clashes in Quiche and Chimaltenango, the head of state stated that they are not really armed "clashes." These are only attempts by small groups to carry out sabotage actions and inflict damages, he said.

Since the Army has patrols everywhere, plus other entities such as the civilian self-defense patrols which report on everything, all those groups have been annihilated and they are now only common criminals.

The GAM Is No Longer a Problem

General Mejia Victores was asked if the demonstration planned by the Mutual Support Group, GAM, for 10 January might provoke some problem given the closeness of the inauguration ceremony. He replied that the GAM holds demonstrations with or without permission but it has always done so in a peaceful way. He added that this organization does not represent a problem.

Human Rights Are Respected

General Mejia Victores was also asked about the statements issued by U.S. groups, which claim that human rights are still being violated in Guatemala. He said those are groups which have always countered Guatemala's democratic development. Perhaps they do not like the fact that Guatemala is a democratic country, he added, and that is why they advocate internal disorder in the country and provoke disputes between different sectors of the population. This, he said, is characteristic of international communism.

ARMY TO FIGHT ALL CLANDESTINE GROUPS

PA302223 Guatemala City EL GRAFICO in Spanish 28 Dec 85 p 40

[Text] The Guatemalan Army will maintain a constant struggle, as it has done so far, against any clandestine group which tries to sow terror and destabilization, it was stated yesterday by Colonel Marco Antonio Castellanos Pacheco, head of the Army's information and dissemination department.

The military spokesman made this statement when referring to a specific request from the Guatemalan Confederation for Trade Union Unity, CUSG, to "eliminate groups such as the ESA [Secret Anticommunist Army], who are trying to murder Guatemalan people."

The CUSG's request is included in a document of proposals which was distributed among the news media during Christmas festivities. The CUSG's proposal to the Army includes a reuqest to fulfill its function of safeguarding the security of the state and the citizenry," adding that it must disarm all the armed groups which want to terrorize the population and stop the construction of a democratic state." [quotation marks as published]

Colonel Marco Antonio Castellanos Pacheco asserted that the Army will -- within its possibilities -- remain vigilant and exert itself to the utmost to fully guarantee the rights of all Guatemalans and, specifically, all the labor unions in the country. "Nevertheless, I believe there is no reason to worry since the clandestine organization has currently stopped issuing threats."

Lastly, he said that once the Constitution of the Republic goes into effect it will clearly establish that clandestine organizations are outlawed, and they will be fought by the Army and public order forces.

HONDURAS

PEACE MARCHERS ENTRY INTO COUNTRY DENIED

PA271450 Tegucigalpa Domestic Service in Spanish 1130 GMT 27 Dec 85

["Statement of clarification" issued by the Government and Justice Secretariat -- date and place not given]

[Text] In response to reports issued yesterday by the local press and radio that President Roberto Suazo Cordova has authorized passage through Honduras for a group of people of various nationalities who are participating in the so-called March for Peace in Central America, the Government and Justice Secretariat wishes to clarify the following to the local and international community:

1. The reports that the president of the Republic has authorized the transit through Honduras for the people participating in the so-called March for Peace in Central America are untrue.

2. The Honduran Government firmly maintains its decision not to authorize entry into Honduras for the people participating in that march. This is to prevent conflicts like those that took place in another Central American country from occurring in Honduras.

3. The Honduran Government's position in this respect is congruent with the provisions contained in the Population and Immigration Policy Law and with Press Communique No 115-85 issued by the Foreign Secretariat on 20 December 1985.

SUSPECT ARMS TRAFFICKERS DISCHARGED FROM HOSPITAL

PA310152 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 30 Dec 85

[Text] Marta Espinoza Espinoza, a Costa Rican guerrilla, was discharged from the Policlinica Hondurena last Saturday, where she had been since 10 December convalescing from a fractured arm. The guerrilla had been captured together with the Costa Rican, Elias Solis Gonzalez, after their vehicle suffered an accident between San Francisco Morazan and Choluteca. Police found a large quantity of weapons and $30,000 that they were transporting for the Salvadoran guerrillas. Marta Espinoza Espinoza was attacked when leaving the clinic. Here is a report from reporter Jorge Alberto Diaz Castillo:

[Begin Castillo recording] Marta Espinoza Espinoza, an alleged Costa Rican guerrilla, was discharged from the Policlinica Hondurena last Saturday at around 1500, after having been there recovering from a fractured arm and some scrapes.

Espinoza Espinoza was captured together with Elias Solis Gonzalez, also Costa Rican, on 11 December, at the Hospital del Sur in Choluteca, where they had been admitted after suffering a car accident 4 days earlier in La Leona, located between Choluteca and Francisco Morazan. Afterwards they were interned on the fourth floor of the Policlinica Hondurena, in police custody.

After 3 days, Elias Solis Gonzalez was discharged, and on Saturday, his companion and presumed lover, Marta Espinoza Espinoza. Both will be turned over to courts by the police for further investigation.

At the time, the Army reported that the two suffered an accident in a Costa Rican-licensed vehicle, license plate No 91917, on 7 December after entering our country by way of La Fraternidad, Choluteca, the customs border checkpoint, with foreign [as heard] passports.

In the car they had medical equipment and war materiel for the guerrillas who operate in El Salvador and $30,000 in cash. At first 70 percussion caps were found in their car, on closer scrutiny at the security offices in Tegucigalpa, the full arsenal was discovered, consisting of 10 communication radios, a great quantity of various caliber ammunition, plus 86 percussion caps in addition to those found earlier.

According to reports, two youths in a white Honda car, with private license plate No 7950, tried to kill Marta Espinoza Espinoza last Saturday as she left the hospital in the custody of Investigations Department agents. It is presumed that the Costa Ricans are in the National Investigations Department and will be turned over to civilian courts in Tegucigalpa, where the case will be further investigated. [end recording]

NICARAGUA

PROTEST NOTE SENT TO HONDURAS OVER BORDER ATTACK

PA310133 Managua Radio Sandino in Spanish 0000 GMT 31 Dec 85

[Text] The Foreign Ministry today sent a strong protest note to the Honduran Government over an unjustified armed attack by Honduran soldiers against a Nicaraguan border patrol.

The protest note signed by Foreign Minister Miguel D'Escoto charges that on 28 December Honduran soldiers southwest of Somotillo in the Department of Chinandega fired their rifles from Honduran territory at Nicaraguan patrols. The Nicaraguan Foreign Ministry note contains a renewed call to the Honduran Government for serenity, and at the same time demands an end to these acts which in no way contribute to detente in the area.

It would seem that these attacks are aimed at increasing tension in the area, and to hinder a peaceful settlement in Central America, according to the Foreign Ministry note addressed to Honduran Foreign Secretary Edgardo Paz Barnica.

HONDURAS REPORTEDLY FLYING WEAPONS FOR FDN

PA272311 Managua BARRICADA in Spanish 27 Dec 85 p 1

[Text] Journalists have reported that the Honduran Army is transporting a significant amount of war materiel to Costa Rican territory and pointed to the constant arrival of Honduran Air Force planes to the Juan Santamaria Airport in San Jose.

For the past weeks, especially since late November and throughout December, camouflaged Honduran planes have been unloading unknown material and equipment.

This air bridge coincides with an increased FDN [Nicaraguan Democratic Force] presence in Costa Rica. This is believed to be the final displacement of ARDE [Democratic Revolutionary Alliance] contras by Somozist mercenaries, who until now had been operating almost exclusively out of Honduras.

The EPS' [Sandinist People's Army] Soberania Operation successfully displaced Pastora-led counterrevolutionaries from all their positions at the border and dispersed them throughout Costa Rican territory.

FDN General Staff members had previously been in Costa Rica to recruit ARDE contras and to make the necessary coordination to establish a new "front."

ARDE's defeat promoted the FDN penetration. By now, it is believed that the FDN has already established a mercenary force which is receiving Honduran Air Force shipments being unloaded in Costa Rica.

HONDURAS APPROVES PEACE MARCHERS ENTRY

PA281937 Esteli Nicaragua Radio Liberacion in Spanish 1847 GMT 28 Dec 85

[Excerpts] The participants of the March for Peace in Central America will cross the common Honduran-Nicaraguan border today. Honduran Government Secretary Arnulfo Pineda Lopez has authorized the marchers to enter Honduran territory. Meanwhile, several Salvadoran labor and humanitarian organizations have announced that they will go on strike if Salvadoran head of state Jose Napoleon Duarte prevents the marchers from going through Salvadoran territory.

Rights Group's Efforts Reported

PA300255 Managua Domestic Service in Spanish 2225 GMT 29 Dec 85

[Text] The Honduran Human Rights Commission announced today that it is studying the possibility of filing an appeal against Roberto Suazo's government for preventing the participants in the March for Peace in Central America from entering the country. Ramon Custodio, president of the Human Rights Commission, made the announcement today after personal efforts before immigration authorities at the La Fraternidad customs-house failed. On Saturday authorities denied entry to approximately 300 pacifists coming from Nicaragua.

'Spray' Against Marchers Noted

PA301459 Managua Radio Sandino in Spanish 1200 GMT 30 Dec 85

[Text] In an effort to discourage the participants in the March for Peace in Central America, members of the Honduran Army sprayed the road leading to the El Espino border post with a chemical substance that had a negative reaction on the marchers' skin. According to the reports obtained by Radio Sandino, the marchers traveled the road leading to the Honduran border which guards had sprayed with a chemical the night before.

A delegation of marchers tried to speak with several Honduran Army officers in an attempt to obtain the Honduran Government's approval for the march's passage through Honduras. Thus far, the Honduran Government's position has been contradictory because while Foreign Secretary Paz Barnica has stated that the march can enter the country, the government secretary has said it will not be allowed to enter because it would cause trouble.

The March for Peace in Central America expects to end its journey on 22 January in Mexico, from where a delegation will travel to the United States to deliver a document on the Central American situation.

SANDINIST SUPPORT FOR REGIONAL GUERRILLAS CHARGED

PA301344 Panama City STAR AND HERALD in English 30 Dec 85 pp A-1, 1-6

[Article by Hermes Sucre]

[Text] The Sandinista government of Nicaragua is involved in all guerrilla activities in Central and South America a representative in Panama for the Nicaraguan Opposition Unit (UNO) told the STAR AND HERALD.

Alvaro Altamirano said the most recent case of Sandinistas meddling in the affairs of other countries was the support given guerrillas of the M-19 Movement [19 April Movement] who died in the assault of the Palace of Justice in Colombia.

The Sandinista connection with M-19 in this case is clearly evident. "I am not sure if the Colombian government is aware of the fact, but, when President Betancur met for the first time with the M-19 in Madrid, two years ago, the leaders of the guerrillas arrived in Madrid with Nicaraguan diplomatic passports, enroute from Managua via Havana," Altamirano said.

It is possible that arms used in the Nov. 7 attack on the Palace of Justice could have passed through Panama by conduct of the Colon Free zone. Altamirano did not overlook the possibility that the arms could have been transported in planes owned by international drug traffickers.

Altamirano said that the Sandinistas have converted Nicaragua into a "lodging" for terrorists and guerrilla activities, and for worldwide terrorist groups.

"Lodging and support was afforded Salvadoran guerrillas", Altamirano said. A few month ago, Italian Prime Minister Bettino Craxi revealed the names of members of the Red Brigade received by the Sandinistas, and it is understood that members of the Spanish guerrilla ETA are based in Nicaragua, he added.

Altamirano said that it has been proven that M-19 has offices in Managua and its members are honor guests at all functions held by the Sandinistas, especially on July 19.

During the meeting of the OEA [OAS] in Cartagena, Colombia in December, Altamirano said that the Sandinistas requested of the government that a press conference of the UNO scheduled for the Hotel Cartagena Hilton not be allowed. The request was granted and the press conference had to be held elsewhere.

Such a stand damages the image of the Colombian government when internal affairs of Nicaragua are being ignored as democratic sectors clamor for a national reconcilement, Altamirano said.

"I am not sure that Betancur's government will break diplomatic ties with Nicaragua. He should do so, but if he doesn't, it is proof that he prefers to continue his peace program although M-19 has shown that they are opposed to this", Altamirano added.

Asked on the possible connection of the Sandinista government with international drug trafficking, Altamirano said "there could be some connection with traffickers and the government of Daniel Ortega due to the lure of the American dollar".

CASTRO NATIONAL ASSEMBLY SPEECH ON LABOR DISCIPLINE

FL281550 Havana Tele-Rebelde Network in Spanish 2315 GMT 27 Dec 85

[President Fidel Castro address to National Assembly of the People's Government on labor discipline at Havana's Palace of Conventions on 27 December -- recorded]

[Text] I believe Veiga has explained a good part of what I would have said concerning the same subject. Veiga's explanation is calm and reasonable; in addition, it is courageous. In these problems one must be very honest and avoid to the degree possible being influenced by populism and demagoguery. I do not mean to say that the comrade who has presented this measure has been influenced by populism or demagoguery, but we who must constantly deal with these problems have the duty to be very calm and serene when doing so.

Logically, Decree No 32 is not a pleasant decree because everything that tends to establish discipline anywhere is unpopular and unpleasant. I believe we have done a lot in the revolution where guarantees to the workers are concerned. I believe that at certain moments our concern was excessive; we were idealists. It was as if we were already living in a communist society, as if everyone were fully conscious of his obligations. We let up a lot and became less demanding. Persons who do not want problems are not demanding enough. I believe we have done a lot in the revolution where guarantees to the workers are concerned. I believe that at certain moments our concern was excessive; we were idealists. It was as if we were already living in a communist society, as if everyone were fully conscious of his obligations. We let up a lot and became less demanding. Persons who do not want problems are not demanding enough. I do not believe we are too demanding or that we put too much emphasis on discipline. I think we were too undisciplined. This is what led to the approval of Decree No 32. Then Decree No 36 was approved for administrative workers. I do not know whether their number was changed but I think so, 32 and 36.

One hears the complaint that the measure is applied to the workers and not to the administrative workers and this must be true. I believe we must work to overcome this problem...[passage indistinct] These things happen in many countries. We have at least learned to be punctual, as a general rule. In the early years of the revolution, no one was punctual. Not even those of us who should have been giving a good example were punctual. Then we tried to be an example of punctuality.

Struggle has taught us to be disciplined; the people's military training has brought us elements of discipline, has brought elements of discipline to our culture. Industry also brings discipline. This is not true of agriculture, which depends on animals, yokes of oxen, etc. Oxen never have to be greased or fueled, but the tractor must be repaired, maintained, greased, filled with gasoline and water, and its tires and battery have to be taken care of, etc. Industry brings discipline. Underdevelopment brings a lack of discipline. It has been necessary to struggle against many things.

More than once I have had to speak and protest the way in which many people move into an unoccupied building. The revolution has never evicted...[changes thought] how many illegal occupants do you suppose there are? Every time it has been necessary to resolve the problem of illegal occupancy it has been necessary to find 10 apartments to be able to use a building for a scientific or educational activity. The revolution is not characterized by the use of police or the Army or of force to impose discipline. Some people occupy a piece of land just anywhere or next to the place they live, so there are many manifestations of a lack of discipline of one kind or another. We must struggle against this in every way, not just on the job. What I want to say is that we are not characterized by excessive rigorousness; we are not too demanding. The opposite tends to be true, so it is very important that we avoid becoming confused [words indistinct], adopt the opposite position, and get discouraged or abandon the struggle for greater discipline.

In general, as everyone knows, the best workers are not the ones who have disciplinary problems. [words indistinct] their work that Reynaldo has had. He says that in this country prizes, decorations, and honors are given, [and] thousands of workers travel abroad. There are thousands of them, I have never heard that any of those workers had a problem with discipline. [laughs] In truth, undisciplined people are those who have problems with discipline; they are not the best workers. They are not the ones who [words indistinct]. They are not the most serious-minded. [words indistinct] they are a minority; they are not a majority of the people at all. We should not judge our people by the existing lack of discipline, whether there are 10, 20, or 50 thousand cases, because we have millions of workers and millions of good workers who are reliable. The problems occur among a minority... [words indistinct]

Nevertheless, it is the duty of our society to protect all workers, including the undisciplined. We must avoid being unjust with the small group of undisciplined workers; and especially if two or three unjust decisions can be made in a group of 20 decisions, we must strive not to make those two or three unjust decisions. To this end, we must provide guarantees. When the decree was promulgated, the right to appeal the administrative decision was established, the right to appeal.

An undisciplined worker can demoralize a work staff. I could tell a lot of anecdotes on the subject, of individuals who have done the most extraordinary things, who have even stolen or did whatever they wanted, even committing gross errors, and when a sanction was applied, 24 hours later [words indistinct] demoralizing everyone. The disciplined workers encouraged the undisciplined, demoralizing the authority of the administration [words indistinct] frequently.

Whenever we have studied a train collision for example, or a traffic accident, in almost every case the accident was due to a lack of discipline. Either a regulation was not observed or the train left, or the automobile did not do what it should have, or what-have-you.

In each accident in which human life is lost -- 20, 30, 40 lives may be lost -- as a rule there is always a lack of discipline. This is why we drew up stricter railway regulations that are more rigorous. A train is not a person riding a bicycle. There is the responsibility for the lives of 200, 300 persons. Greater discipline must be demanded of the worker because the lives of those citizens must be guaranteed. A bus has responsibility for 30, 40 or 50 persons who may be children, pioneers, or basic secondary school students. We always work to select the most responsible drivers for the vehicles that transport students; we always insist on this. When there is an accident, it is often due to the driver not observing the law or because he did not take the trouble [words indistinct] not the children of the bourgeousie or of millionaires; they are the children of workers. [words indistinct]

I believe our labor discipline will one day merit serious analysis. We try to apply the same discipline at all places of employment. [Words indistinct] the duties of a soldier.

No one can imagine an army without discipline, but a railroad without discipline or of any transport without discipline cannot be imagined either. Even more: One cannot conceive of a hospital without discipline, and this affects everyone more closely. Everyone has to go to the hospital, or his wife has to go, or his children or grandson's children, his uncle, his aunt or his mother or father or grandparents have to go. And whenever anyone enters a hospital he wants absolutely the best treatment. But if the cleaning personnel have not cleaned, this displeases everyone. If an intravenous solution is being applied, the citizen would like the doctor to look in and the nurse to be there all the time. When medication must be given at an exact time, they want the exact medicine at the exact time. And if sheets have to be changed, they want them changed at the exact time.

And if a patient has to be bathed, they want it exactly on time. And the meals have to be on time. Everything has to be exactly on time, and with optimum hygiene.

Doctors, administrative personnel, nurses, and aides work at a hospital, and discipline is needed in a hospital. Nevertheless, our labor code and our labor laws demand the same discipline for a hospital as for a cabaret. And a hospital is not the same thing as the tropicana. And a physician or a nurse who is taking care of human life does not have the same type of responsibility as a person who is attending revelers. We want revelers to receive good service; the basic duty of the person employed there is to give good service. But should we demand the same discipline in a hospital as in a cabaret or restaurant or stadium or what-have-you.

We believe that hospitals need special discipline, just as we know that schools need special discipline because the children of the country are there. A bad example in a school has much greater repercussions; the damage done to a child is much greater if, for example, someone strikes a child, slaps him because one loses patience. It is worse than slapping a grown-up. And we even prepared a special regulation for schools.

There are many activities [changes thought], I think, I really believe we should have a special regulation for discipline in the hospitals. [passage indistinct] a meeting with the hospitals of the capital of the Republic, more than 50 hospitals, and institutes. Two days [words indistinct]. The hospital directors were present.

We have more and more resources of every kind; we even have more doctors and nurses. [passage indistinct] The professor, the instructor, the assistant -- everyone goes to sleep. This is a tendency towards a lack of discipline. [words indistinct] has become a teaching hospital, and if the department head and his subordinates do not do night duty, and we are beginning to see many important specialists that do not do night duty although night duty is necessary in hospitals, a tendency towards a lack of discipline may be created that must be corrected.

There is the case of the undisciplined citizen. [passage indistinct] many go to the emergency room; they feel safer when they go to the emergency room because they know that the professors of medicine, the most eminent physicians are there. Many citizens unnecessarily jam the emergency rooms of the hospitals. They stupidly [passage indistinct].

In an emergency situation on certain days, above all Mondays and Tuesdays, there are not sufficient physicians or specialists. We have been studying all those problems to see if there are cases of indiscipline, bad habits. We also paid special attention to discipline. There the problem was real. It was explained by nurses, comrades of the party, managers, who said that in some cases indisciplined workers were creating a demoralizing situation. The workers were being penalized but in the end they were being exonerated, workers who had no shame. Nevertheless, I feel that even those who behave in such a manner have rights; they should not be victims of an injustice. We should see to it that they be given a correct treatment and adequate and just penalty.

Some people there told us about the many duties of a chief of services in a hospital, which are clearly defined as medical treatment and training. The chief of the nursing department in a hospital has numerous duties, according to the rules and associated obligations. What was explained was that sometimes they have to participate in tribunals several times as a result of disciplinary actions. I can imagine the director of a hospital such as the Calixto Garcia, which has 1,000 or more beds, or the chief of nurses of a big hospital having to participate three, four, or five times in a disciplinary tribunal. They have no jurists or legal representatives to attend these trials.

A hospital director should not be forced to do it because he would not be able to fulfill important duties at the hospital.

The chief of nurses should not be forced to go to these disciplinary tribunals. When someone says lightly that whoever dictated the measure should be the one to go to disciplinary tribunals, he and we, without realizing what we are saying, could be creating a chaos in many important institutions where I have observed the personnel to be very tense because of the work, because of our demands, and because of union meetings, scientific meetings, party nucleus meetings, or whatever meetings, maybe 400 of them. They do not have sufficient time to go around and fulfill all those duties.

We want them to devote their time to the institution. We have that type of problem. Not only do they have the problems outlined before, but they also have problems because of formalities, or administrative measures issued there or in other tribunals. There are paternalistic tribunals, that is the truth. Their task is penalizing, which is quite unpleasant, or ratifying a penalty, but they are away from their duties at the hospital attending the ill.

As you all know, we are selecting an ever-growing selection of physicians for the hospitals, and we try to train increasingly better physicians, scientifically as well as politically. And I believe we are achieving our goal.

We have excellent physicians with an exceptional attitude, physicians who go to Nicaragua, anywhere. If you ask 1,000 graduating physicians how many are willing to go to a certain place as physicians because they are needed, 100 percent of them volunteer and go. I am not aware of anyone who has said: I will not go.

In the nursing department we have to train more and better nurses, and we are making every effort to achieve that. We are going to improve the programs as we did with the physicians. A large majority of the preuniversity students are registering for that field. In the past there were only 15-year-old girls. These girls were being sent to the nursing school because they had graduated from ninth grade. They started working at the hospital, and when they became ill they were referred to the pediatrician.

However, when we did not have sufficient high school graduates, if we wanted to train nurses there was no other option but to accept them. Many nurses used to say: they are too young, some of them still play with dolls. Well, we have made great progress; we are now having high school graduates in large numbers registering for nursing at the preuniversities. We still have problems in Havana. There are no such large numbers. In many provinces those registering are preuniversity students.

We are trying to get them a little older, 17 or 18 years. Instead of having 2 years of studies, we are requiring 3 years so they will be better prepared. For nurse auxiliaries it is different. They are supplied by the Labor Ministry. Those are people who have no jobs, or are not local residents. In many instances you find many excellent nurse auxiliaries with 20 years of experience, perhaps with fewer years. But transients, lacking discipline -- those are different.

Added to this is the fact that the work of nurse auxiliaries has not been given attention. The selection of the nurse auxiliaries should be given special attention. Sometimes there are too many. We are requiring specialization instead of those with many skills. The reason for all this is complicated, requires a long explanation. We should look to seniority to seek permanency and special payment. Nurses have it. According to wage measures adopted recently for the nursing personnel, they are paid more if they are in remote places, or assigned to a lazaretto. However, the nurse auxiliary, who has the same duties and works very hard in hospitals, has no seniority.

We did the same thing with construction workers to attain permanency in the job. But the nurse auxiliaries do not have seniority or special wages for difficult work. The same thing has to be given in all areas so we may be able to make a better selection of hospital workers. We also need discipline in those hospitals.

One of the things they were demanding was that. They said that we get together, the measures are adopted, and later nothing happens. We also looked at the statistics because one has to keep in mind how many are penalized, how many appeal. From the information I received, the percentage was not too high, but the data has to be studied.

I even said that when an extreme penalty is decided, such as separation from the job -- penalties which as you know are provisional because there is the right to appeal -- try to have all factors correct, examine them well in cases of drastic penalties. The supervising council should examine the cases very carefully so that everyone agrees on the findings. If a tribunal hears the director, the party secretary, the union, the nurses, everybody, then the tribunal can rightfully say that it represents the opinion of an entire unit, not a single individual who might have reached his decision unjustly, in the heat of an argument, in an instant of irritation. I said they should make sure that those measures are carefully examined at the unit and be submitted to the tribunal with a greater moral strength, and the tribunal will realize it is not a single individual submitting the evidence but an entire unit.

Some of the practical measures were suffering. If this is done in print or in a model form and quickly, then this is absolutely incorrect. It seems to me that what Comrade Juanito Escalona said is correct. These problems should all be studied, personnel should be prepared, the legal adviser or representative should be revealed. Who can represent the administration? How should this process be carried out? Complementary legislation, if necessary, to reduce to a minimum the cases where a tribunal concludes with a decision for a year's backpay.

Veiga explained very well that it would be absurd for the administrator to bring the charges because it would totally destroy the administrator's authority. It would be better to remove him as administrator, if they tell him they will pay him for requiring discipline since we sin by lack of discipline and we are constantly demanding more and there is a greater struggle against the problems for which some are responsible. We will not penalize a man now because maybe he had to apply ten of these measures and three were completed. His salary is not sufficient. We are not going to require him to become a thief to make his payments. We are not going to pay him because ten measures have properly been applied. It is possible that the country has been saved 30,000, 40,000, or 50,000 pesos and we are not going to give the administrator 1 million pesos. We will give him 50 million pesos because you have been more productive and efficient because of discipline? It does not make sense.

It is the responsibility of the state. What the state should do and the state organs should do are the responsibility of the administration, expecially studying the problem, adopting pertinent measures so that these cases do not occur even though some cases will always occur. There may even be a unit that is mistaken, but then there could be a judge who makes an error or who has a different appreciation. There will always be cases. We should statistically study how many cases are of greater penalties such as separation. How many recur? How many return? The cases where those people return should be studied. How many are due to court procedure problems? How much is due to the judges' paternalization? How much is due to the administration's superficiality, which is responsibile for the decision?

Clearly I am speaking about the case in the hospital. I do not know about a factory.

I gave this advice in a hospital because we were studying the problem that could affect the quality of hospital services. In this great world of activities of all types, service, production, and material production, I imagine there are many situations that obligate us to perfect the method to avoid [correct himself] guarantee discipline, prevent injustice.

We should not expect that in 100 percent of the cases the decision will be correct. The number of mistaken decisions is minimal and they have been rectified by the tribunals. Sometimes goals are behind schedule. A reduction in efficiency shows this. Like Veiga said, there may be more requirements now because the plan is more tense. A series of measures have been taken in the economy and there are requirements for conservation in combustible raw materials, and the administration is demanding more because they have originated a greater quantity of disciplinary measures. It could be that there is another explanation and the measure is not applied. If we expect 100 percent to be approved, and we are going to measure efficiency in that method, we are searching for the impossible. We, therefore, need to get accustomed -- no matter how perfect the measures are that we take, now matter how perfect the steps are, and no matter how just the decisions are -- to the fact that 100 percent will not be achieved all the time because men have opinions on one side and other men have different opinions.

We cannot be sad when someone receives a decision from the tribunals because that is the socialist system. That is socialist justice for that man. I really prefer that an undisciplined person who does wrong be penalized instead of having an innocent person, a good worker, be unjustly punished.

We should depart from those principles even though we know that these discipline problems are not a problem for the majority of workers, among whom are so many outstanding men, heroes, and vanguard members. It is a problem for a minority of people. We should establish our procedures and laws in such a way as to absolutely guarantee all citizens. I believe that the idea of having the director there is not reasonable. I think it should be a well-prepared legal representative. This demonstrates once again the need for a legal framework.

For a long time, at the beginning of the revolution, we thought there was an excess of attorneys. I was the first to participate in that type of allergy towards attorneys because we had such cases against agricultural engineers, professors, chemical engineers, industrial engineers, architects. It was very despairing, and yet we had a university full of attorneys. And at the time of building socialism we saw that the attorneys did not even know how to direct an agricultural farm, give technical services, drive a tractor, direct a factory, or project anything. We said: there is an excess of lawyers. This is because of the capitalistic superstructure. We discovered later that there was a need for judges in the tribunals, in the municipalities, in all parts. Legal advisers were needed. We discovered that the attorney was necessary.

A few years ago we were training doctors and engineers well. They were outstanding here and there. We decided to train an outstanding legal student. A study was performed on their training and in the past few years they have been receiving special attention.

All of these acts demonstrate the need for the attorney or jurist in socialism because they need to represent the hospital, the businesses in all those cases. They need to study and interpret the laws and take the correct steps. To make a model of punishing people is a fraud, a completely careless job that I think we have to eradicate. I think that a measure such as this should have a well-defined basis and no one can use the pretext of being concerned or not having enough time. I do not know if there is a need for a small model, but there is a basis for the decision taken.

I believe that the comrades from the Ministry of Justice and the specialist are the ones who should make the decision, work, and expand [words indistinct]. I am convinced that we need discipline, that we need to perfect discipline in labor and perfect procedures. As Veiga said, it is not possible to charge the administrator. We can take other measures. It is really absurd to charge or establish that the one who makes the decision has to go there. [Words indistinct] has 5,000 workers, 1,500, 2,000 [words indistinct] that really does seem like work to me. [words indisinct]

The report seems good to me. Juanito Escalona's summary seems good to me. It seems to me to have been very-well organized. [Words indisinct] the response given by the Ministry of Justice to the concern expressed here. [applause]

HAITI

DUVALIER ANNOUNCES MAJOR CABINET CHANGES

PY311157 Paris AFP in Spanish 1111 GMT 31 Dec 85

[By Dominique Levanti]

[Text] Port au Prince, 31 Dec (AFP) -- President Jean-Claude Duvalier last night announced a major cabinet shuffle and removed four superministers of state who were regarded as being the strongmen of his cabinet. The new cabinet includes 14 ministers and 18 secretaries of state. None of the ministers of state is included in the new cabinet.

The people removed from the government are:

Jean Marie Chanoine (minister of state for the presidency, information, public relations, interior, and national defense). The portfolios Chanoine held in the former cabinet are now distributed among Pierre Merceron (interior and national defense), a former chief of staff and ambassador to Paris; and Adrian Raymond (information and public relations), a former foreign minister who has also been ambassador to the United States.

Frantz Merceron (minister of state for economy, finance, industry, planning and commerce) has been replaced by Frantz Flambert (economy and finance); the agriculture minister in the past cabinet, Theophile Roche (planning); and Raymond Thomas (industry and commerce).

Theodore Achille (minister of state for justice, national education, youth, and sports) has been replaced by Jean Vandal (justice); Pierre Mondes (national education); and Nicot Julien (youth and sports).

Jean-Robert Estime (minister of state for foreign affairs and social affairs) has been replaced by Georges Salomon (foreign affairs), former foreign minister and ambassador to the United States; and Daniel Supplice (social affairs).

The fifth superminister, Alex Cineas, has lost his title as minister of state, but still holds the portfolio of public works, transport, and communications.

The four dismissed superministers have been appointed ambassadors to Europe and the United States: Jean-Robert Estime has been appointed ambassador to the EEC and UNESCO; Frantz Merceron to the United Nations in Europe. Approval has also been requested for appointing Jean-Marie Chanoine ambassador to Canada and Theodore Achille to France.

Colonel Albert Pierre, chief of police of Port au Prince, has also been dismissed from his post by President Duvalier and has been replaced by Gregoire Figaro, former commander of the military department in northern Haiti.

This reorganization comes just under 2 months after the naming on 5 November of five ministers, four of which have now been replaced, and at a time when the Duvalier regime is facing hostile demonstrations from youths in several towns. These demonstrations followed the killing of three students by the security forces on 28 November in Gonaives (152 km northwest of Port au Prince).

The political situation has deteriorated owing to an economic and financial crisis that for the first time in the history of the Duvaliers has provoked a shortage of fuel within the country. It has been recalled in Port au Prince that the IMF recently denied a loan for Haiti and postponed until March the possible approval of another standby agreement.

NETHERLANDS ANTILLES

CURACAO'S MARTINA CHOSEN TO LEAD NEW GOVERNMENT

FL301540 Bridgetown CANA in English 1523 GMT 30 Dec 85

[Text] Willemstad, Curacao, Dec 30, CANA-REUTER -- Curacao's Social Democrat leader Dom Martina has been chosen to lead a new government of the Netherlands Antilles, a self-governing federation of Dutch Caribbean islands, an official spokesman for his seven-party coalition has said. Martina's government will take over from the centre-right administration of outgoing Prime Minister Maria Liberia Peters after the Netherlands Antilles new parliament meets for the first time on Wednesday, he told reporters yesterday.

Martina's coalition holds 15 of the 22 seats in the new parliament, which was elected on November 22 to take account of Aruba's withdrawal from the federation on January 1. The five remaining members will be Curacao and Bonaire, off the western coast of Venezuela, and St Maarten, St Eustatius, and Saba in the Windward Islands near Puerto Rico. Aruba will become a separate self-governing member of the Kingdom of the Netherlands until full independence in 1996.

Martina's eight-member cabinet will be formally anounced later this week. Coalition sources said Leslie Navarro of the Curacao Democratic Party (DP) would be finance minister, while Marco de Castro of Martina's New Antillean Movement (MAN) would become minister for economic affairs. Mans Winston Alurens will be minister of labour and social affairs, a key post given Curacao's high unemployment rate, while Leo Chance of the St Maarten Democratic Party (SMDP) will be minister of justice, transport, and communciations. Frank Rosendal of the DP will be minister of health and Jopie Abraham of the United Bonaire Party (UPB) will be minister of cooperation and development, in charge of formulating the projects on which Dutch aid is spent. Only the portfolio of education, which will go to a representative of Saba and St Eustatius, remains to filled.

Martina was previously prime minister from 1977 to 1984 but he fell from power in June last year after a defection in parliament left his government without a majority. The main unifying factor of his new coalition is opposition to a 10 per cent supplementary income tax imposed by Maria Liberia Peters last August.

CHURCH SERVICE AIRS GRIEVANCES WITH GOVERNMENT

FL301618 Bridgetown CANA in English 0054 GMT 29 Dec 85

[Text] Georgetown, Guyana, Dec 28, CANA -- Guyana's Roman Catholic Church today went ahead with an open air service in Georgetown to highlight its grievances with government, despite what one senior church official said were serious efforts by the ruling party to have the event called off.

About 500 people attended the service, mounted to highlight deteriorating church-state relations linked to government's decision to expel 51-year-old British-born Jesuit priest Patrick Connors for activities inimical to the state.

The ruling party has gone out of its way to try to have this service stopped, the spokesman told CANA.

He said propagandists of the People's National Congress (PNC) had been spreading word that there would have been violence at the rally.

Barbados Roman Catholic Bishop Anthony Dickson, one of five Caribbean church leaders invited here for the prayers in solidarity with Connors, was refused entry when he arrived early today and was held at the airport for 17 hours before being put on a Barbados-bound flight.

Three of the others, archbishops Anthony Pantin of Trinidad and Tobago and Samuel Carter of Jamaica, as well as Moravian Bishop Oliver Maynard of Antigua who came in yesterday decided against attending the service after having to sign an immigration document agreeing not to participate in any activties linked to the so called Connors affair.

Church-state relations in Guyana sank to a new low after the more established denominations supported opposition allegations of fraud in December 9 general elections here. Since then the homes of church leaders have been searched, church officials have been openly attacked in the state-controlled newspaper and the Home Affairs Ministry ordered out Connors, who has been serving here for 21 years.

Carter and Pantin fly out of Guyana early tomorrow, when another church leader, Roman Catholic Archbishop of St Lucia Kelvin Felix, is due.

They are satisfied with the visit. Their mission was to have discussions with the bishops and to parley with the community, the church officials told CANA.

INTER-AMERICAN AFFAIRS

CONTADORA, SUPPORT MINISTERS MAY MEET 27 JANUARY

PA280444 Caracas Television Service in Spanish 0000 GMT 28 Dec 85

[Text] The Contadora foreign ministers are considering the possibility of convoking a special meeting in a last-ditch effort to attain a peace accord for Central America.

For this purpose, the ministers keep constantly in touch and present to their respective presidents proposals to somehow overcome obstacles that have appeared during the past few days and have forced a recess in the negotiating process.

Intense activity occurred today at the Casa Amarilla. Foreign Minister Simon Alberto Consalvi elected not to make any statement until he reaches an agreement with his Panamanian, Mexican, and Colombian counterparts about the best way to reactivate dialogue. In principle both the Contadora and the Support Group's foreign ministers have scheduled a meeting for 27 January, when Honduran President-elect Jose Azcona del Hoyo will assume office. Efforts are being made these days, however, to advance this meeting. Disagreement exists in three aspects which prevent an accord: first, arms control; next, reducing to a minimum military exercises by foreign powers; and lastly, mechanisms for the verification of the fulfillment of the accord.

Contadora continues to be, for Latin America and the world, the only possibility for attaining peace in Central America. Naturally, the four negotiating foreign ministers' efforts are oriented in this direction. In any case, the search for an agreement depends on the Central American countries' political willingness. This will make itself evident during the first months of 1986 when Contadora hopes to finally have the subregional peace accord signed.

PARAGUAY

PRESS SECRETARY DENIES ARGENTINE'S ACCUSATIONS

PY310131 Paris AFP in Spanish 2258 GMT 30 Dec 85

[Text] Asuncion, 30 Dec (AFP) -- Referring to an alleged conspiracy in Asuncion to release the recently sentenced former military commanders of the Argentine government juntas, Anibal Fernandez, President Stroessner's press under secretary, told AFP today that the Paraguayan Government will not allow any plot against friendly governments and peoples.

The accusation was made a few days ago by the controversial Argentine nationalist Guillermo Patricio Kelly. Kelly said that leaders of the Argentine ultrarightist organization Argentine Anticommunist ALliance [AAA] have a 200-man army in Asuncion reportedly ready to try to free former military commanders Jorge Videla and Emilio Massera.

These commanders were sentenced by the Argentine courts to life imprisonment for the confirmed crimes of kidnappings, torture, and murder committed against the Argentine people in repressing the leftist guerrillas during the past decade.

Fernandez categorically denied Kelly's remarks and said that such barbarous accusations against Paraguay do not even warrant comment.